

CITY OF BALTIMORE

MARTIN O'MALLEY, Mayor



HEALTH DEPARTMENT

JOSHUA M. SHARFSTEIN, M.D., Commissioner
210 Guilford Avenue
Baltimore, MD 21202

August 4, 2006

E. Bonnie Schaefer, Co-Chairman & Co-Chief Executive Officer
Marla L. Schaefer, Co-Chairman & Co-Chief Executive Officer
Claire's Stores, Inc.
3 S.W. 129th Avenue
Pembroke Pines, FL 33027

Dear Ms. Schaefer and Ms. Schaefer:

I am writing to alert you that the Baltimore City Health Department has found a high lead level in a pearl ring sold as part of your "Princess Collection" for young girls. I recommend that you pull this product and any others with similar manufacturing processes and materials from your shelves around the country.

If you do not take this action in Baltimore City today, I am prepared to issue an order prohibiting the sale of this item in the city.

The item tested is sold as part of your Claire's Club line of products. In a total lead analysis test performed by Penniman and Browne, Inc. of Baltimore using the methodology of the Consumer Product Safety Commission, elements of the ring tested as high as 6.8% lead by weight. This is more than 100 times the standard for lead in paint. If ingested by a child, this product could pose a serious health risk.

Two days ago, my assistant commissioner Olivia Farrow spoke with the store's assistant manager, who took down all of the pertinent information. Ms. Farrow also attempted to contact the district manager and left a voicemail message for her.

This week in Baltimore, local news station ABC 2 News aired results of lead testing of your products and found that a Hilary Duff necklace contained over 41% lead by x-ray fluorescence testing. According to their report, they too, failed to receive a response from your company.

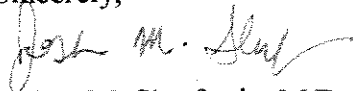
Because of the risk of lead poisoning to young children, and because of recent cases of death and serious injury resulting from ingestion of lead-containing children's jewelry, this news report and our findings are cause for concern. I request that you provide me with your policy to prevent



lead poisoning of children using your products. Please explain which products are tested, how testing of your products is conducted, what test method is utilized, and what your policy is on selling products containing lead.

I request a response on how you will handle this item by 5 pm today. I request the additional materials by 5 pm on Monday, August 7, 2006.

Sincerely,

A handwritten signature in dark ink, appearing to read "Josh M. Sharfstein", with a stylized flourish at the end.

Joshua M. Sharfstein, M.D.
Commissioner of Health